

# OFFICE OF THE ATTORNEY GENERAL

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Honorable Roy Smith  
Member, Alabama State Senate  
208 Robin Circle  
Gadsden, AL 35901

Counties - Business  
Regulations - Licenses and  
Permits - Fees

Cotton buyers not exempt from  
local license tax levied under  
Act No. 92-529.

Dear Senator Smith:

This opinion is issued in response to your request for  
an opinion from the Attorney General.

## QUESTION

Are cotton brokers exempt from the  
county business license authorized by Act  
No. 92-529?

## FACTS, LAW AND ANALYSIS

Our research does not disclose any specific use of the  
term "cotton broker" in the statutes of this state, so we  
assume that, in using this term, you are referring to cotton  
buyers, defined in § 2-19-100(2) as: "A person who buys  
cotton from a producer on a forward contract."

Cotton buyers are subject to a fee under § 2-19-102  
and to state and county license taxes under § 40-12-85  
which reads:

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"Each person whose principal business is buying cotton shall pay one state license tax of \$25 and shall also pay a license tax of \$10 in each county in which such person shall maintain an office or buy cotton."

We do not find any provision which would exempt a cotton buyer from payment of a local license tax levied pursuant to a properly enacted and authorized local law passed by the legislature of Alabama. We do note, in passing, that certain business licenses levied under the Revenue Code of Alabama, §§ 40-12-1, et seq., Code of Alabama 1975, have language similar to the following:

". . . but no license tax shall be paid to the county. . . ."

See, for instance, § 40-12-43 (actuaries, auditors and public accountants); § 40-12-48 (architects); § 40-12-49 (attorneys); § 40-12-71 (CPAs); § 40-12-92 (dentists); § 40-12-99 (engineers); § 40-12-126 (practice of medicine); § 40-12-135 (optometrists); § 40-12-136 (chiropractors). (This list is not intended to be exhaustive.)

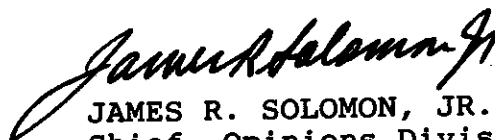
#### CONCLUSION

Your question is answered in the negative. Cotton buyers are not exempt from the license levied under Act No. 92-529.

I hope this sufficiently answers your question. If our office can be of further assistance, please contact Philip C. Davis of my staff.

Sincerely,

JEFF SESSIONS  
Attorney General

  
JAMES R. SOLOMON, JR.  
Chief, Opinions Division

JS/PCD/jho  
S2.95/OP